

## RIFLE CITY COUNCIL MEETING

Wednesday, April 18, 2012

### REGULAR MEETING

7:00 p.m. \* Council Chambers

A regular meeting of the Rifle City Council was called to order at 7:00 p.m. by Mayor Jay Miller.

**PRESENT ON ROLL CALL:** Councilors Rich Carter, Alan Lambert, Keith Lambert, Jonathan Rice, Jen Sanborn, Randy Winkler, and Mayor Jay Miller.

**OTHERS PRESENT:** John Hier, City Manager; Lisa Cain, City Clerk; Jim Neu, City Attorney; Jim Bell, Channel 10 Manager; Michael Churchill, Channel 10 Assistant Manager; Dave Gallegos, Wastewater Supervisor; Marsha McCormick, Wastewater Lab Technician; Trish Manuppella, Wastewater Operator; Devin Jameson, Wastewater Operator; Pat Lake, Wastewater Operator; Casey Boren, Collections & Distribution Crew Leader; Brent Cole, Collections & Distribution Crew Member; Roger Schouten, Utility Maintenance Mechanic; Dick Deussen, Utilities Director; Tom Whitmore, Parks Director; Daryl Meisner, Police Chief; Mike Braaten, Government Affairs Coordinator; Charles Kelty, Finance Director; Susan Alvillar; Nancy Bayne; Phil Birchfield; Teresa Cotton; Jim Duke; Gil Frontella; Steve Fuller; Donna Gray; James Herrera; Dick Hewitt; David Ling; Brook Loving; Trudy Lowery; John Martin; Mike McKibbin; Carl Meyer; Jennie Meyer; Ron Milhorn; Petrike Peters; Dick Rhoades; Heidi Rice; Mike Samson; Chuck Silkman; Jim Spehar; John Steele; Nick Swallow; Dennis Webb; Cory Williams; and Leon Wooley.

### CONSENT AGENDA - APPROVE THE FOLLOWING ITEMS:

- A. Minutes from the April 4, 2012 Regular Meeting
- B. Stipulations, Agreements, and Orders with respect to liquor licenses of Fiesta Guadalajara, Plaza Liquors, Rifle Brewing Company, Rocky Mountain Liquors, Shale Country Liquors, Thai Chili Bistro, Winchester Nite-Club, and Wing Nutz Bar & Grill
- C. Agreement with KRW Associates, LLC (Fred Rainguet, PhD) for Police Chief recruitment services
- D. 2011 Audit Engagement Letter
- E. Liquor License Renewals: Wing Nutz Bar & Grill; Thai Chili Bistro; Cheermeister
- F. Visitor Improvement Fund Recommendation for Expenditures
- G. Accounts Payable

Councilor A. Lambert moved to approve Consent Agenda Items A, B, C, D, E, and F; seconded by Councilor Rice.

Roll Call: Yes – Carter, A. Lambert, K. Lambert, Rice, Sanborn, Winkler, Miller

Councilor K. Lambert moved to approve Consent Agenda Item G, with the addition of a payment of \$20,526 to Charlier & Associates; seconded by Councilor Sanborn.

Roll Call: Yes – Carter, A. Lambert, K. Lambert, Rice, Sanborn, Winkler, Miller

### CITIZEN COMMENTS AND LIVE CALL-IN

A Pioneer Mesa Subdivision resident call to request that the City require CacaLoco to eliminate emission of foul odors from its operation.

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Steve Fuller expressed respect for the City's stance on the Bureau of Land Management (BLM) Oil Shale Programmatic Environmental Impact Statement (PEIS) and requested that development of oil shale proceed slowly.

Garfield County Commissioners Mike Samson and John Martin commended Council on the City's stance on the BLM Oil Shale PEIS. They noted that Garfield County also deals with impacts from oil shale development, and they hope to encourage the federal government to work with entities affected by those impacts as they move forward with oil shale development.

There were no other citizen comments or live call-ins.

***PROCLAMATION – RIFLE WASTEWATER WORKERS RECOGNITION WEEK - APRIL 22 – 28***

Mayor Miller read aloud a proclamation honoring workers in the wastewater field, and declaring the week of April 22 – 28 Rifle Wastewater Workers Recognition Week.

Councilor K. Lambert moved to approve the proclamation; seconded by Councilor A. Lambert.

Roll Call: Yes – Carter, A. Lambert, K. Lambert, Rice, Sanborn, Winkler, Miller

Wastewater Department staff members were present to receive the signed proclamation, and Council thanked them for their work.

***RECEIVE REPORT ON SENIOR CENTER KITCHEN AND UTILITIES***

City Manager John Hier made Council aware of problems that have developed with sewer lines and kitchen equipment at the Senior Center. Staff is obtaining bids for the repair work.

***PUBLIC HEARING – SPECIAL EVENT LIQUOR PERMIT – RIFLE MOOSE LODGE #1345***

Mayor Miller opened the public hearing and swore in Phil Birchfield representing Rifle Moose Lodge #1345. Mr. Birchfield presented the Lodge's application for a special event permit to provide liquor service at a bullriding event on April 21, 2012, from 6:00 p.m. to 10:00 p.m. at the Garfield County Fairgrounds at 1001 Railroad Avenue. City Clerk Lisa Cain stated that the hearing was properly noticed, the application is complete, and the fees have been paid.

Councilor Carter moved to approve the Special Event Liquor Permit for Rifle Moose Lodge #1345 on April 21, 2012, from 6 p.m. to 10 p.m. at the Garfield County Fairgrounds at 1001 Railroad Avenue; seconded by Councilor Rice.

Roll Call: Yes - Carter, A. Lambert, K. Lambert, Rice, Sanborn, Winkler, Miller

***PUBLIC HEARING – SPECIAL EVENT LIQUOR PERMIT – ELKS LODGE – ENCANA KICKOFF***

Mayor Miller opened the public hearing and swore in Nancy Bayne, representing BPOE Elks Lodge #2195. Ms. Bayne presented the Lodge's application for a special event permit to provide liquor service at the Encana Kickoff Party on May 4, 2012, from 6:00 p.m. to 8:00 p.m., at the Garfield County Fairgrounds at 1001 Railroad Avenue. Ms. Cain stated that the hearing was properly noticed, the application is complete, and the fees have been paid.

Councilor Winkler moved to approve the Special Event Liquor Permit for BPOE Elks Lodge #2195 on May 4, 2012, from 6:00 p.m. to 8:00 p.m., at the Garfield County Fairgrounds at 1001 Railroad Avenue; seconded by Councilor A. Lambert.

Roll Call: Yes - Carter, A. Lambert, K. Lambert, Rice, Sanborn, Winkler, Miller

***PUBLIC HEARING – SPECIAL EVENT LIQUOR PERMIT – ELKS LODGE - RIFLE RENDEZVOUS***

Mayor Miller opened the public hearing and swore in Nancy Bayne, representing BPOE Elks Lodge #2195, and Brook Loving, representing Rifle Rendezvous Festival, Inc. Ms. Bayne and Mr. Loving presented the Lodge's application for a special event permit to provide liquor service at the Rifle Rendezvous Festival on May 11, 2012 from 6:00 p.m. to 9:30 p.m., and May 12, 2012 from 6:00 p.m. to 10:00 p.m., at the Garfield County Fairgrounds at 1001 Railroad Avenue. Ms. Cain stated that the hearing was properly noticed, the application is complete, and the fees have been paid.

Councilor Rice moved to approve the Special Event Liquor Permit for BPOE Elks Lodge #2195 on May 11, 2012 from 6:00 p.m. to 9:30 p.m., and May 12, 2012 from 6:00 p.m. to 10:00 p.m., at the Garfield County Fairgrounds at 1001 Railroad Avenue; seconded by Councilor Carter.

Roll Call: Yes - Carter, A. Lambert, K. Lambert, Rice, Sanborn, Winkler, Miller

***RECEIVE WEST RIFLE CITIZENS REPORT ON CACALOCO COMPOST OPERATION***

Dick Hewitt, Leon Wooley, and Carl Meyer listed issues associated with the CacaLoco compost operation, including little notice before location of the operation, unpleasant odors, complaints from customers, declining property values, flies, vermin, risk of disease from airborne matter, and loss of enjoyment of life.

City Attorney Jim Neu and City Manager John Hier informed Council that staff is seeking an expert to identify the causes of the problems, so the City can determine how to proceed.

***RECEIVE UPDATE FROM WILLIAMS MIDSTREAM AND WPX ENERGY***

Donna Gray, representing Williams Midstream, and Susan Alvillar, representing WPX Energy, described Williams Midstream's spinoff of WPX Energy on January 1, 2012, and provided an update on the 2 companies' operations.

***RECEIVE PROJECT CLOSE OUT REPORT FROM ENNOVATE CORPORATION***

Chuck Silkman, Project Director, Ennovate Corporation, provided a closeout report on the Energy Performance Contracting Project.

***PROCLAMATION – MUNICIPAL CLERKS WEEK - APRIL 29 – MAY 5***

Mayor Miller read aloud a proclamation honoring municipal clerks, and declaring the week of April 29 – May 5 Municipal Clerks Week.

Councilor K. Lambert moved to approve the proclamation; seconded by Councilor Rice.

Roll Call: Yes – Carter, A. Lambert, K. Lambert, Rice, Sanborn, Winkler, Miller

Ms. Cain received the signed proclamation on behalf of herself and Deputy City Clerk Kristy Christensen, and Council thanked them for their work.

**CONSIDER ORDINANCE NO. 10, SERIES OF 2012 - (WATER SERVICE CHARGE AMENDMENTS)  
(SECOND READING)**

AN ORDINANCE OF THE CITY OF RIFLE, COLORADO, AMENDING APPENDIX A TO THE RIFLE MUNICIPAL CODE REGARDING WATER SERVICE FEES AND AMENDING SECTION 13-4-60 OF THE CODE TO CLARIFY THE CITY'S POLICY ON REVIEWING EQR VALUES FOR EXISTING ESTABLISHMENTS

Mr. Hier noted the following with respect to the City's plans to construct a new water treatment plant. The plant will cost approximately \$25 million dollars. The Colorado Water Resources and Power Development Authority has approved a loan to the City in this amount. The loan will be effective by about the end of April. Operations and maintenance costs for the new plant will be approximately \$2.6 million annually. Debt service costs will be about \$1.6 million annually. Therefore, the total revenue requirement will be \$4.2 million annually. Presently the City service charges generate about \$2.1 million annually.

The City will need to adopt a new rate structure capable of supporting the operations/maintenance costs and the loan debt service. Implementation of a new rate structure can occur later in the year. That will give voters an opportunity to vote on a ½ cent sales tax, should the Council determine that it is appropriate to include a sales tax in the finance plan for the new plant.

The present rates are as follows:

Base Fee	\$18.29 which includes 4,000 gallons
Usage Fee up to 30,000 gallons	\$3.54 / 1,000 gallons
Usage Fee > 30,000 gallons	\$3.81 / 1,000 gallons

Staff has developed a five tier system of rates which range from \$4 / 1,000 gallons of water used to \$8.00 / 1,000 gallons of water used. In each scenario, the first 2,000 gallons of usage (instead of 4,000 gallons, which was proposed in Ordinance 10, Series of 2012, at first reading) is included with the base fee of \$37.00. This is less than the base fee of \$45.00, which was proposed in Ordinance 10, Series of 2012, at first reading.

The proposed fee schedule is as follows:

Base Fee	\$37.00
0 - 2,000 gallons	\$ 0.00 Included in the base fee
2,000—4,000 gallons	\$4.00 / 1,000 gallons
4,000—8,000 gallons	\$5.00 / 1,000 gallons
8,000 — 20,000 gallons	\$7.00 / 1,000 gallons
>20,000 gallons	\$8.00 / 1,000 gallons

Staff proposes that the City enact these rates in two phases. Phase I would be as follows:

Base Fee	\$30.00
0 - 2,000 gallons	\$ 0.00 Included in the base fee
2,000—4,000 gallons	\$3.20 / 1,000 gallons
4,000—8,000 gallons	\$4.00 / 1,000 gallons
8,000— 20,000 gallons	\$5.60 / 1,000 gallons
>20,000 gallons	\$6.40 / 1,000 gallons

Phase I rates would be sufficient to provide adequate revenue when combined with a ½ cent sales tax. If the ½ cent sales tax does not receive voter approval, or Council decides not to place such a question to the voters, the second phase of rate increase will be implemented. By including a ½ cent sales tax in the finance plan, the proposed rate increase can be reduced by about 40 percent. Additionally, senior citizens could still be eligible for

a 20 percent rate reduction. Thus, their effective water rate could be only marginally higher than they presently pay.

John Steele asked Council to reject Ordinance Nos. 10 and 11, Series of 2012, citing an increase in his water bill that would occur. He suggested developing a raw water irrigation system using City reserves, instead of making what he believed was a hasty decision to build a new water treatment plant. He noted that raising rates could decrease consumption, resulting in a lack of sufficient revenues to make the payments on the loan that Ordinance 11 would authorize. He informed Council that he would propose a referendum on Ordinance 11. He also observed a conflict that he perceived between the need to conserve and the requirement to keep street trees irrigated. He questioned why operations and maintenance costs would be higher at a new plant than they are at the existing plant.

David Ling questioned the need for a state of the art water treatment system in the current sluggish economy. He cautioned Council about tying enterprise funds to a sales tax. He urged Council to re-examine the feasibility of using raw water for irrigation before taking action on Ordinance Nos. 10 and 11, Series of 2012.

Councilor Sanborn moved to table Ordinance No. 10, Series of 2012; seconded by Councilor Winkler.

Gil Frontella suggested that the City develop a raw water irrigation system, instead of building a new water treatment plant. He said the City ought not to raise water rates while the economy remains sluggish. He chided Council for failing to consult large users, such as himself, before taking this action.

Trudy Lowery expressed concern about the effect of the rate increase on Pioneer Mesa Homeowners Association's landscaping obligations.

Roll Call: Yes - Sanborn, Winkler. No - Carter, A. Lambert, K. Lambert, Rice, Miller.

Councilor K. Lambert moved to approve Ordinance No. 10, Series of 2012, on second reading as presented and to order it to be published in full as required by Charter; seconded by Councilor Rice.

Roll Call: Yes - Carter, A. Lambert, K. Lambert, Rice, Miller. No - Sanborn, Winkler.

***CONSIDER ORDINANCE NO. 11, SERIES OF 2012 (APPROVAL OF \$25,500,000 WATER AND POWER LOAN AGREEMENT FOR NEW WATER TREATMENT PLANT) (SECOND READING)***

AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT AND GOVERNMENTAL AGENCY BOND BY THE CITY OF RIFLE, COLORADO, ACTING BY AND THROUGH THE CITY OF RIFLE, COLORADO, WATER ENTERPRISE, TO THE COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY, SUCH GOVERNMENTAL AGENCY BOND TO BE IN A PRINCIPAL AMOUNT NOT EXCEEDING \$25,500,000, FOR THE PURPOSE OF FINANCING IMPROVEMENTS TO THE WATER TREATMENT SYSTEM OPERATED BY SUCH ENTERPRISE, INCLUDING CONSTRUCTION OF A NEW WATER TREATMENT FACILITY; PROVIDING FOR APPLICATION OF THE NET REVENUES OF SUCH SYSTEM TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH GOVERNMENTAL AGENCY BOND AND PROVIDING OTHER DETAILS IN CONNECTION THEREWITH

Mr. Hier and Mr. Neu informed Council that the City has received two loan agreements from the Colorado Water Resources and Power Development Authority. These agreements need to be approved by Council to formalize the loan for the new water treatment plant. One agreement is for \$2 million at 0% interest and the second agreement will have an interest rate based upon the State's sale of bonds. The City's plant design had enough

“green” components to qualify for the state loan program which offers zero percent interest rates for a portion of the loan. Proposed Ordinance No. 11, Series of 2012, would approve the agreements.

David Ling noted that building a new water treatment plant would result in use of “reverse osmosis quality” water for irrigation and other uses for which such high quality water is unnecessary. He urged Council to explore other options.

Councilor Rice moved to approve Ordinance No. 11, Series of 2012, on second reading as presented and to order it to be published in full as required by Charter; seconded by Councilor A. Lambert.

Roll Call: Yes - Carter, A. Lambert, K. Lambert, Rice, Miller. No - Sanborn, Winkler.

***CONSIDER CANCELLING APRIL 25 SPECIAL MEETING; CONSIDER APPROVING COMMENTS ON BUREAU OF LAND MANAGEMENT OIL SHALE PROGRAMMATIC ENVIRONMENTAL IMPACT STATEMENT***

Government Affairs Coordinator Mike Braaten presented draft comments on the BLM Oil Shale PEIS. The comments support the industry, but ask that impacts be addressed. Council suggested strengthening the implication that research and development should occur before production occurs. Council also suggested changing “full-blown commercial development of oil shale will likely have similar impacts to our community and region” to read “full-blown commercial development of oil shale may have similar impacts to our community and region.”

Councilor Winkler moved to approve comments on the BLM Oil Shale PEIS as amended and to cancel Council’s special meeting scheduled for April 25, 2012; seconded by Councilor A. Lambert.

Roll Call: Yes - Carter, A. Lambert, K. Lambert, Rice, Sanborn, Winkler, Miller

**ADMINISTRATIVE REPORTS**

Mr. Hier reported to Council on the following issues: safety improvements on Highway 13; Spring Cleanup; New Ute Theatre; employee evaluations; community meetings on water treatment plant; and water line break.

**COMMENTS FROM MAYOR AND COUNCIL**

Councilor A. Lambert congratulated Mike McKibbin on attaining the publisher position at the Citizen Telegram.

Councilor Rice was disturbed by the number of liquor license violations that resulted in Item B on tonight’s Consent Agenda. With respect to a referendum on the water treatment plant legislation, he noted that he has heard many comments from citizens about the need to improve Rifle’s water quality.

Councilor Carter said that Rifle High School will show a mock DUI film to students on April 19 at 2 PM, and the public is welcome to attend.

Councilor K. Lambert encouraged the public to participate in the downtown design workshop activities occurring this week.

Meeting adjourned at 10:10 p.m.

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Lisa H. Cain  
City Clerk

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Jay D. Miller  
Mayor